

ANNUAL BUDGET 2015/16 OF
**SETSOTO LOCAL
MUNICIPALITY**



2015/16 TO 2017/18
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act

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MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

PART 1: Annual Budget

1.1 Mayor's Report

The Honourable Speaker- Cllr Mhloni Molefi Pius
Members of the Executive Committee
Members of the Council
The Municipal Manager
All Directors
All Managers
Members of the Public
Representatives from the Media
Ladies and Gentlemen

Setso Local Municipality is confronted by extraordinary challenges that require us to come together as a community to reconfirm our priorities and define the municipality we want to be. These shared goals are expressed each year in our municipal Integrated Development Plan. The Integrated Development Plan spells out our needs, the budget quantifies what we can afford, and sets in motion the initiatives and corrective measures that will keep us on a true course.

As a Mayor, I am committed to sustaining the important financial reforms that have allowed the municipality to weather the uncertainty of these troubled economic times. I will continue building a stable and sound fiscal management plan that maintain and enhance the municipality's bond rating.

Whatever the circumstances we face, be assured that I will run the municipality in a fiscally responsible way and keep my pact with the public to put their interests before all others. It is my goal to maintain a high level of service, purchase the necessary equipment and maintain an adequate reserve fund.

Honourable Speaker and Members, it is my pleasure to present for your consideration the Executive Committee's proposed budget for the Fiscal Year 2015/16. This proposed budget is the result of a thorough and consistent budget process that has been used for many years, but also in line with the National Treasury guidelines on Budget Reforms.

The budget process is spearheaded by the Treasury Department, under the direction of the budget team of the Accountant Budget, Manager Financial Control and the Chief Financial Officer. This process takes months of cost/revenue analysis, meeting with departmental heads to discuss the details of the department needs and goals and review the needs in relation to the municipality's Integrated Development Plan predetermined objectives. Upon conclusion of the

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departmental meetings, the budget team reprioritise request based on the overall needs and resources of the municipality and made adjustments for funding of specific request.

It is important for me that this budget reflects the commitment to the Setso Local Municipality of a community where every person, family and business has a chance to grow. This budget provides the resources and direction that will help deliver on the following five Setso Local Municipality's Key Performance Areas as contained in the Integrated Development Plan:

1. Infrastructure and Services
2. Local Economic Development
3. Organisational Development and Transformation
4. Financial Viability and Management
5. Good Governance and Public Participation

In addition, I ask that we treat this budget process as another step of our internal transformation process to consider both short and long-term perspectives of how we function. As such the underlying principles that guided this budget were:

- The ongoing difficulties in the national and local economy
- Aging and poorly maintained water, sanitation, electricity and roads infrastructure
- The need to prioritise projects and expenditure within the existing resources envelope given cash flow realities and declining cash position of the municipality
- The increased cost of electricity due to Eskom's tariff increases
- The National Treasury guidelines not to effect any tariff increases this year
- Wage increases for municipal staff due to effecting parity within those positions on the same level and also the filling of those critical positions
- Measures that should be in place to be fully GRAP compliant

Honourable Speaker, I present this document, the municipality's Proposed Budget for Fiscal Year 2015/16, in a strong believe that it continues this process of sound financial management. It provides the surest path to overcoming the municipality's financial challenges, and that it respect both the interests of the taxpayer and our responsibility to future generations. Setso Local Municipality is moving in the right direction.

Mr. Speaker, our operational budget has increased. This is how this portion of the 2015/16 has been allocated per department.

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Standard Classification Description	2015/16 Medium Term Revenue &	
R thousand	Budget Year 2015/16	%
Revenue - Standard		
<i>Governance and administration</i>	118,148	29%
<i>Community and public safety</i>	1,668	0%
<i>Economic and environmental services</i>	30,340	7%
<i>Trading services</i>	261,318	64%
Total Revenue - Standard	411,473	100%

As noted in the attached budget, revenue of the municipality is made out of the following revenue sources:

Description		2015/16 Medium Term Revenue & Expenditure Framework	
R thousands	Adjusted Budget	Budget Year 2015/16	%
Financial Performance			
Property rates	35,000	38,500	10%
Service charges	152,990	166,662	9%
Investment revenue	1,182	1,400	18%
Transfers recognised - operational	176,542	173,679	-2%
Other own revenue	25,288	31,232	24%
Total Revenue (excluding capital transfers and contributions)	391,002	411,473	5%

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The total revenue from rates and service charges is an amount of R 205 162 000, which is an increase of 9%. This is how our revenue streams are made up:

- Property rates
- Service charges for electricity, water sanitation and refuse removal
- Increases in depreciation and debt impairment increased due to our efforts to address the audit queries and align our accounting systems to GRAP standards
- Small long-term investment at OVK, SANLAM and ABSA
- Investment on Municipal Infrastructure Grant
- Equitable Share
- Conditional Grants

The following are conditional grant:

Description	2015/16 Medium Term Revenue & Expenditure Framework
R thousand	Budget Year 2015/16
Local Government Equitable Share	166,309
Finance Management	1,600
Municipal Systems Improvement	930
EPWP Incentive	2,042
MIG Operating Grant	2,298
Municipal Infrastructure Grant (MIG)	43,655
Integrated National Energy Grant	1,500
TOTAL RECEIPTS OF TRANSFERS & GRANTS	218,334

- Other revenue- the main increase is the increase in debt book. The bigger the debt book, the bigger the interest on the outstanding debts. The other income is from, fines, and licenses.

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Mr. Speaker an amount of **R 405 999 000** for the 2015/16 has been budgeted for operating expenditure of which salaries, allowances and benefits equals to **R 159 569 000** or **39 %** of the expenditure budget and slightly above the normal average of **33%**. The expenditure by vote is made up of the following:

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure	
R thousands	Original Budget	Adjusted Budget	Budget Year 2015/16	%
Employee costs	146,796	148,137	159,569	8%
Remuneration of councillors	9,536	9,536	10,354	9%
Depreciation & asset impairment	34,782	24,782	25,282	2%
Finance charges	997	892	3,227	262%
Materials and bulk purchases	58,242	58,242	67,561	16%
Transfers and grants	8,728	11,480	13,180	15%
Other expenditure	128,518	129,216	126,826	-2%
Total Expenditure	387,599	382,285	405,999	6%

The following cross-cutting measures need to be noted:

- Remuneration of Councillors is in line with the determination of upper limits for public representatives
- Repairs and maintenance has been increased by 20% of the current budget
- Contracted services have decreased by 16% due to organisational reengineering to enhance organisational internal capacity
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as the GRAP standards. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years and is not expensed through the income statement as it relates mainly to the significant increase in the revaluation value of infrastructure assets. These expenses are directly accounted against the appropriation account.

In conclusion Mr. Speaker, I stand here today again grateful for the trust bestowed in us to lead this municipality by our communities. We have a duty to ensure that the values that they stood for, and particularly of the late first President of the democratic South Africa, Mr. Nelson Mandela, may his soul rest in peace,

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remain at the centre of our work- and we dare not disappoint them. I reiterate my willingness to work together with all political parties, stakeholders and communities to find workable solutions for the diverse range of developmental challenges facing the municipality.

My sincere appreciation to my Executive Committee members, Chairperson of the Finance Committee, Councillor Koalane, council members, the Municipal Manager, Senior Management and the entire staff, for the support, dedication and effort to put this draft budget together.

We have developed a proposed budget that will control costs to residents while maintaining the expected high quality of services that makes this community a great place to live, learn, work, play and stay.

I thank you.

1.2 Executive Summary

The application of sound financial management principles for the compilation of the Municipality financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies and the implementation of the newly approved staff structure.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/16 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives.

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- Tariff and property rate increases should be affordable, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of providing water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- The new Valuation Roll for the term 2014 till 2018 will also come into effect and will have a non-favourable impact on certain categories of users. The impact are limited as far as possible.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

1.3 Recommendation

It is recommended that council at its meeting to be held on the 31 March 2015, consider the tabled draft budget 2015/16 and adopt the draft budget 2015/16 and approve the following recommendations: The Council of Setsoto Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out as follows:
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out below:
2. The Council of Setsoto Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 - 2.1. the tariffs for property rates – as set out in 2.4,
 - 2.2. the tariffs for electricity– as set out in 2.4
 - 2.3. the tariffs for the supply of water – as set out in 2.4
 - 2.4. the tariffs for sanitation services – as set out in 2.4
 - 2.5. the tariffs for solid waste services – as set out in 2.4
3. The Council of Setsoto Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the tariffs for other services, as set out in paragraph 2.4 respectively.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

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1.4 Summary of Operating Revenue and Expenditure

Total operating revenue has grown by **5.2 %** or **R20.4 million** for the 2015/16 financial year when compared to the 2013/14 Budget. For the two outer years, operational revenue will increase by **3.0 %** and **4.2 %** respectively.

Total operating expenditure for the 2015/16 financial year has been appropriated at **R405.999 million** and translates into a budgeted surplus of **R5.47 million** which include depreciation. The total surplus will be utilised for capital spending on infrastructure and movable asset acquisition.

FS191 Setsoto - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Financial Performance									
Property rates	28,460	33,195	33,441	39,957	35,000	35,000	38,500	42,805	47,637
Service charges	101,681	101,730	110,346	130,738	152,990	152,990	166,662	184,159	203,519
Investment revenue	2,365	2,312	2,903	1,951	1,182	1,182	1,400	1,428	1,485
Transfers recognised - operational	158,221	186,157	168,448	180,030	176,542	176,542	173,679	162,688	155,016
Other own revenue	29,459	33,873	39,276	40,043	25,288	25,288	31,232	33,087	34,385
Total Revenue (excluding capital transfers and grants)	320,186	357,266	354,415	392,719	391,002	391,002	411,473	424,167	442,041
Expenditure By Type									
Employee costs	96,729	128,148	133,615	146,796	148,137	148,137	159,569	169,143	179,292
Remuneration of councillors	8,020	11,082	9,405	9,536	9,536	9,536	10,354	10,975	11,634
Depreciation & asset impairment	202,372	213,475	263,680	34,782	24,782	24,782	25,282	22,000	29,000
Finance charges	1,879	1,265	1,041	997	892	892	3,227	3,162	3,099
Materials and bulk purchases	59,547	83,260	52,562	58,242	58,242	58,242	67,561	71,614	75,911
Transfers and grants	7,894	8,133	3,877	8,728	11,480	11,480	13,180	14,498	15,368
Other expenditure	100,617	114,118	151,807	128,518	129,216	129,216	126,826	119,057	113,984
Total Expenditure	477,059	559,480	615,987	387,599	382,285	382,285	405,999	410,450	428,288
Surplus/(Deficit)	(156,872)	(202,214)	(261,573)	5,120	8,717	8,717	5,473	13,717	13,753
Contributions recognised - capital & contributed assets	81,970	87,217	102,500	56,677	56,677	56,677	45,155	45,335	47,852
Surplus/(Deficit) after taxation	(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	50,629	59,052	61,605

1.5 Operating Revenue Framework

For Setsoto Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Council.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

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1.6 Summary of Operating Revenue by source

Table 2 – Summary of Operating Revenue by source

FS191 Setsoto - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	28,460	33,195	33,441	39,957	35,000	35,000	38,500	42,805	47,637
Service charges	101,681	101,730	110,346	130,738	152,990	152,990	166,662	184,159	203,519
Investment revenue	2,365	2,312	2,903	1,951	1,182	1,182	1,400	1,428	1,485
Transfers recognised - operational	158,221	186,157	168,448	180,030	176,542	176,542	173,679	162,688	155,016
Other own revenue	29,459	33,873	39,276	40,043	25,288	25,288	31,232	33,087	34,385
Total Revenue (excluding capital transfers and contributions)	320,186	357,266	354,415	392,719	391,002	391,002	411,473	424,167	442,041

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise **49 %** of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totalled **R187.9 million** or **43 %**. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from **43 %** in 2013/14 to **49 %** in 2015/16. This incline can mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to the percentage increased allowed by NERSA for electricity sales. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Operating grants and transfers totals **R176 million** in the 2014/15 financial year and decreases to **R173 million** by 2015/16.

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1.7 Summary of operating expenditure by standard classification item

Table 8 Summary of operating expenditure by standard classification item

FS191 Setsoto - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Expenditure By Type									
Employee costs	96,729	128,148	133,615	146,796	148,137	148,137	159,569	169,143	179,292
Remuneration of councillors	8,020	11,082	9,405	9,536	9,536	9,536	10,354	10,975	11,634
Depreciation & asset impairment	202,372	213,475	263,680	34,782	24,782	24,782	25,282	22,000	28,000
Finance charges	1,879	1,265	1,041	997	892	892	3,227	3,162	3,099
Materials and bulk purchases	59,547	83,260	52,562	58,242	58,242	58,242	67,561	71,614	75,911
Transfers and grants	7,894	8,133	3,877	8,728	11,480	11,480	13,180	14,498	15,368
Other expenditure	100,617	114,118	151,807	128,518	129,216	129,216	126,826	119,057	113,984
Total Expenditure	477,059	559,480	615,987	387,599	382,285	382,285	405,999	410,450	428,288
Surplus/(Deficit)	(237,456)	(298,392)	(413,567)	126,615	140,106	140,106	142,370	164,747	170,796
Contributions recognised - capital & contributed assets	(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	50,629	59,052	61,605
Surplus/(Deficit) after taxation	(312,359)	(413,390)	(572,639)	188,412	205,500	205,500	192,999	223,798	232,400
	(312,359)	(413,390)	(572,639)	188,412	205,500	205,500	192,999	223,798	232,400

The budgeted allocation for employee related costs for the 2015/16 financial year totals R159 million, which equals 42 % of the total cash funded operating expenditure. Provision was made for the partial implementation of the Organisational structure that was adopted by Council as well as that the Library services has been transferred to the Provincial Government.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality budget.

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The provision of debt impairment was determined based on an annual collection rate of 80 % and the Debt Write-off Policy of the Council. For the 2015/16 financial year this amount equates to R25 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as the GRAP standards. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years and are not expensed through the income statement as it relates mainly to the significant increase in the revaluation value of infrastructure assets. These expenses are directly accountant against the appropriation account.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). An increased amount of R2.7 million has been taken into account in order to service the interest on a possible loan to be taken up for the amount of R30 million.

Bulk purchases are directly informed by the purchase of electricity from Eskom. An increase of 16 % are anticipated to realise.

1.7.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality Indigent Policy. The target is to register 8 000 or more indigent households during the 2015/16 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

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1.8 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Program/Project description	Project number	2015/16 Medium Term
		Budget Year 2015/16
Marquard/Moemeneng: Upgrading of Oxidation Ponds	MIG/FS0448/W/06/08	1,600
Ficksburg/Meqheleng: Construction of 3.0 km Paved Road and Storm Water Drainage	MIG/FS0869/R,ST/11/13	16,760
Matwabeng/Senekal: Construction of 3.0 km Paved Road and Storm Water Drainage	MIG/FS0870/R,ST/11/13	16,760
Ficksburg/Meqheleng Upgrading of Recreational and Sports Facilities	MIG/FS0873/CF/12/14	3,081
Clocolan/Hlohlolwane: Development of New Solid Waste Disposal Sites	MIG/FS0877/SW/12/13	1,602
Senekal/Matwabeng: Construction of new indoor sports and recreational facility (MIS:227708)	MIG/FS1048/CF/15/17	3,853
		43,655

Table 9 – Summary of Capital Expenditure from own revenue

Breakdown of Capital Expenditure from own revenue		
Description	Section	Amount
SCOA System	Finance	R 500,000.00
Performance Management System	IDP/PMS	R 1,100,000.00
Refuse Bins	Refuse	R 2,112,000.00
Computer Equipment, Furniture and Fittings and Other	All Department	R 700,000.00
TOTAL AMOUNT		R 4,412,000.00

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Table 10 – Summary of Capital Expenditure from Borrowings (Loans)

Breakdown of Capital Expenditure from Borrowings		
Description	Section	Amount
Construction of new sewer pump station in Meqheleng	Sewer	R 8,000,000.00
Refurbism: Electrical Infrastructure Phase 1 - Meqheleng	Electricity	R 6,100,000.00
Refurbism: Electrical Infrastructure Phase 2 - Meqheleng	Electricity	R 4,100,000.00
Upgrading of Sever Room	Info Tech	R 2,000,000.00
1 x New Grader	Roads	R 2,000,000.00
2 x Cherry Picker	Electricity	R 2,000,000.00
1 x Honey Sucker	Sewer	R 1,500,000.00
1 x Compactor Truck	Refuse	R 1,500,000.00
1 x TLB	Cemetries	R 1,000,000.00
4 x Single Drum Rollers	Roads	R 1,200,000.00
2 x Double Drum Rollers	Roads	R 600,000.00
TOTAL AMOUNT		R 30,000,000.00

1.9 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality website.

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2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions such as KPMG, Ernest & Young, SARS, Auditor General, and National Treasury.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2014 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality internal centre and training is ongoing.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.10 Funding credibility on cash flow

The following table illustrate that based on the collection rate of service charges the budget are cash funded. Although the budgeted deficit is reflected, it is attributed mainly as a result of the revaluation of infrastructure assets and the depreciation on the said assets. The Municipality had an unfunded surplus to the amount of R 2 billion due to the revaluation. The deficit will be appropriated against this unfunded surplus.

Table 10 – Summary of Operating Revenue and Expenditure cash flow

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FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	30,800	34,244	38,109
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5,760	5,520	5,487	5,247	5,167	4,896	4,853	4,499	4,668	5,160	5,217	8,328	84,800	72,576	81,285
Service charges - water revenue	2,240	2,320	2,360	2,160	2,399	2,480	3,913	3,113	2,640	2,560	2,633	2,779	31,600	34,504	37,673
Service charges - sanitation revenue	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	15,840	17,266	18,820
Service charges - refuse revenue	1,741	1,600	1,600	1,500	1,600	1,600	1,600	1,600	1,600	1,600	1,600	3,149	20,890	22,770	24,819
Service charges - other	17	17	17	17	17	17	17	17	17	17	17	17	200	212	218
Rental of facilities and equipment	84	84	84	84	84	84	84	84	84	84	84	312	1,239	1,363	1,444
Interest earned - external investments	93	93	93	93	93	93	93	93	93	93	93	373	1,400	1,428	1,485
Interest earned - outstanding debtors	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	450	20,250	21,455	22,324
Dividends received	-	35	-	-	-	-	-	-	-	-	-	-	35	36	42
Fines	8	10	10	14	9	-	10	-	7	-	17	13	101	120	125
Licences and permits	40	-	-	-	-	-	-	-	-	-	-	-	40	44	46
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	67,282	1,745	-	-	55,993	-	-	-	48,648	-	-	-	173,679	162,688	155,016
Other revenue	-	-	-	-	-	-	-	-	-	-	-	1,675	1,675	-	-
Cash Receipts by Source	82,983	17,111	15,338	14,902	71,050	14,857	16,258	15,093	63,443	15,201	15,349	20,983	362,548	368,715	381,406
Other Cash Flows by Source															
Transfer receipts - capital	9,191	-	-	-	19,714	-	-	-	14,751	-	-	1,500	45,155	45,335	47,852
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	30,000	-	-	-	-	-	-	30,000	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	92,153	17,111	15,338	14,902	90,764	44,857	16,258	15,093	78,194	15,201	15,349	22,483	437,704	414,050	429,257
Cash Payments by Type															
Employee related costs	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	159,569	169,143	179,292
Remuneration of councillors	863	863	863	863	863	863	863	863	863	863	863	863	10,354	10,975	11,634
Finance charges	269	269	269	269	269	269	269	269	269	269	269	269	3,227	3,162	3,099
Bulk purchases - Electricity	6,500	6,550	6,500	4,630	4,330	4,630	4,530	5,130	5,930	6,630	6,530	5,669	57,561	71,614	75,911
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3,307	2,907	2,506	2,207	2,107	1,906	1,807	1,707	1,607	1,507	1,307	4,757	27,629	18,574	13,574
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	13,180	14,498	15,368
Other expenditure	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	5,842	55,198	55,733	57,897
Cash Payments by Type	29,821	29,471	29,021	26,851	26,451	26,641	26,441	26,941	27,641	28,241	27,941	31,255	336,717	343,700	356,775
Other Cash Flows/Payments by Type															
Capital assets	6,834	8,824	7,431	5,303	1,803	7,802	31,803	950	1,200	2,301	1,200	4,172	79,624	45,335	47,852
Repayment of borrowing	-	-	-	-	-	408	-	-	-	-	-	3,512	3,920	2,500	3,200
Other Cash Flows/Payments	-	-	863	4,530	5,130	-	853	2,480	-	3,113	2,640	341	20,050	17,644	10,939
Total Cash Payments by Type	36,656	38,296	37,315	36,684	33,384	34,851	59,196	30,371	28,841	33,655	31,781	39,280	440,311	408,180	418,766
NET INCREASE/(DECREASE) IN CASH HELD	55,498	(21,184)	(21,977)	(21,782)	57,380	10,006	(42,939)	(15,279)	49,353	(18,454)	(16,432)	(16,798)	(2,607)	4,871	10,491
Cash/cash equivalents at the monthly year begin	42,649	98,147	76,962	54,985	33,203	90,583	100,589	57,650	42,372	91,725	73,271	56,839	42,649	40,041	44,912
Cash/cash equivalents at the monthly year end	98,147	76,962	54,985	33,203	90,583	100,589	57,650	42,372	91,725	73,271	56,839	40,041	40,041	44,912	55,403

Setsoto Local Municipality – Annual Budget & MTREF 2015/16

1.11 Municipal manager's quality certificate

I S T R Ramakarane, Municipal Manager of Setsoto Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _ S T R RAMAKARANE _____

Municipal manager of Setsoto Municipality (FS191)

Signature _____

Date _____

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled the budget key timelines before Council meeting outlining the key activities to be undertaken with strict timeliness. There was however necessary deviations from the key dates set out in the Budget Time Schedule tabled in Council due to the non-availability of key personnel.

The municipality tabled the Draft Budget for 2015/16 in Council on 31 March 2015. All relevant documents as tabled in Council were placed on the municipality's website and municipal offices for community consultation. All documents in the appropriate format were provided to National Treasury and the Provincial Treasury for inputs and recommendations.

Community Participation was conducted from during April 2015 in all four towns of Setsoto municipality. Inputs received during public participation focused on Service Delivery issues and backlogs.

When finalising the budget the municipality took into account inputs received from Treasury Departments and the community.

Setsoto Local Municipality – Annual Budget & MTREF 2015/16

FS191 Setsoto - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	28,460	33,195	33,441	39,957	35,000	35,000	–	38,500	42,805	47,637
Service charges	101,681	101,730	110,346	130,738	152,990	152,990	–	166,662	184,159	203,519
Investment revenue	2,365	2,312	2,903	1,951	1,182	1,182	–	1,400	1,428	1,485
Transfers recognised - operational	158,221	186,157	168,448	180,030	176,542	176,542	–	173,679	162,688	155,016
Other own revenue	29,459	33,873	39,276	40,043	25,288	25,288	–	31,232	33,087	34,385
Total Revenue (excluding capital transfers and contributions)	320,186	357,266	354,415	392,719	391,002	391,002	–	411,473	424,167	442,041
Employee costs	96,729	128,148	133,615	146,796	148,137	148,137	–	159,569	169,143	179,292
Remuneration of councillors	8,020	11,082	9,405	9,536	9,536	9,536	–	10,354	10,975	11,634
Depreciation & asset impairment	202,372	213,475	263,680	34,782	24,782	24,782	–	25,282	22,000	29,000
Finance charges	1,879	1,265	1,041	997	892	892	–	3,227	3,162	3,099
Materials and bulk purchases	59,547	83,260	52,562	58,242	58,242	58,242	–	67,561	71,614	75,911
Transfers and grants	7,894	8,133	3,877	8,728	11,480	11,480	–	13,180	14,498	15,368
Other expenditure	100,617	114,118	151,807	128,516	129,216	129,216	–	126,826	119,057	113,984
Total Expenditure	477,059	559,480	615,987	387,599	382,285	382,285	–	405,999	410,450	428,288
Surplus/(Deficit)	(156,872)	(202,214)	(261,573)	5,120	8,717	8,717	–	5,473	13,717	13,753
Transfers recognised - capital	81,970	87,217	102,500	56,677	56,677	56,677	–	45,155	45,335	47,852
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605

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FS191 Setsoto - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		128,012	127,800	131,935	127,165	110,153	110,153	118,148	126,431	130,694
Executive and council		55,287	58,955	70,727	48,666	48,589	48,589	47,238	49,550	47,215
Budget and treasury office		63,301	67,145	57,486	77,047	59,819	59,819	69,308	74,514	80,971
Corporate services		9,425	1,699	3,721	1,452	1,746	1,746	1,602	2,367	2,509
<i>Community and public safety</i>		7,341	1,360	8,614	1,349	1,303	1,303	1,668	1,697	1,796
Community and social services		301	314	342	454	422	422	434	460	487
Sport and recreation		6,657	45	192	57	51	51	54	57	61
Public safety		378	823	2,163	292	281	281	180	120	125
Housing		4	178	5,917	546	550	550	1,000	1,060	1,124
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		47,302	24,825	25,753	31,540	30,748	30,748	30,340	26,005	24,848
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		47,302	24,825	25,753	31,540	30,748	30,748	30,340	26,005	24,848
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		219,501	290,498	291,350	289,342	244,995	244,995	261,318	270,033	284,703
Electricity		83,307	96,437	94,983	108,654	112,239	112,239	116,335	122,780	131,938
Water		57,907	55,973	135,588	114,351	62,002	62,002	65,520	66,749	69,420
Waste water management		51,377	111,112	27,057	28,568	30,852	30,852	33,346	33,874	35,145
Waste management		26,910	26,976	33,722	37,769	39,901	39,901	46,117	46,631	48,200
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	402,156	444,483	457,652	449,396	387,200	387,200	411,473	424,167	442,041
Expenditure - Standard										
<i>Governance and administration</i>		81,491	115,961	128,102	104,746	110,562	110,562	123,605	126,434	131,669
Executive and council		30,028	69,410	54,867	47,985	52,605	52,605	59,495	60,769	61,715
Budget and treasury office		23,887	18,779	45,248	31,555	32,093	32,093	34,158	34,716	36,818
Corporate services		27,576	27,772	27,987	25,206	25,864	25,864	29,951	30,949	33,136
<i>Community and public safety</i>		44,576	41,372	48,566	38,115	38,142	38,142	42,896	43,185	44,351
Community and social services		5,525	5,969	10,331	7,908	6,846	6,846	7,097	7,351	7,799
Sport and recreation		12,355	21,022	19,382	10,480	9,642	9,642	11,279	11,342	11,553
Public safety		6,096	8,249	11,942	12,416	14,455	14,455	14,892	15,137	15,780
Housing		20,600	6,132	6,911	7,311	7,200	7,200	9,628	9,355	9,219
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		161,709	14,367	12,451	27,438	28,584	28,584	35,039	35,592	36,898
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		161,194	14,367	12,451	27,438	28,584	28,584	35,039	35,592	36,898
Environmental protection		514	—	—	—	—	—	—	—	—
<i>Trading services</i>		189,283	387,781	365,846	217,299	204,997	204,997	204,459	205,240	215,369
Electricity		85,567	59,422	62,277	81,884	82,541	82,541	86,585	86,141	92,272
Water		48,993	249,399	220,257	50,575	45,148	45,148	45,174	45,433	48,182
Waste water management		34,440	35,212	44,052	41,711	36,664	36,664	36,584	36,744	37,718
Waste management		20,283	43,748	39,261	43,129	40,644	40,644	36,116	36,922	37,197
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	477,059	559,480	554,966	387,599	382,285	382,285	405,999	410,450	428,288
Surplus/(Deficit) for the year		(74,903)	(114,997)	(97,313)	61,797	4,915	4,915	5,473	13,717	13,753

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FS191 Setsoto - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - Council		54,497	58,155	69,337	45,842	45,765	45,765	43,958	46,913	44,593
Vote 2 - Corporate Services		9,359	1,688	3,434	726	902	902	921	976	1,035
Vote 3 - Municipal Manager		790	800	1,390	2,824	2,824	2,824	3,280	2,638	2,622
Vote 4 - Treasury Services		63,301	67,145	57,486	77,047	59,819	59,819	69,308	74,514	80,971
Vote 5 - Development Planning & Social Security		34,312	28,169	40,931	39,297	41,498	41,498	47,466	48,658	50,346
Vote 6 - Engineering Services		239,897	288,525	289,298	283,659	236,392	236,392	246,541	250,468	262,474
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	402,155	444,483	461,878	449,396	387,200	387,200	411,473	424,167	442,041
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		23,456	31,378	40,243	38,607	39,801	39,801	45,419	46,490	46,451
Vote 2 - Corporate Services		14,309	20,955	24,243	20,948	23,195	23,195	26,992	27,941	29,942
Vote 3 - Municipal Manager		6,573	38,032	14,624	10,947	14,583	14,583	16,552	16,779	17,920
Vote 4 - Treasury Services		23,887	18,779	45,248	31,555	32,093	32,093	34,158	34,716	36,818
Vote 5 - Development Planning & Social Security		57,526	90,664	84,660	74,265	72,477	72,477	69,867	71,260	72,867
Vote 6 - Engineering Services		351,308	359,673	345,948	208,919	200,137	200,137	213,011	213,265	224,290
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	477,059	559,480	554,966	385,241	382,285	382,285	405,999	410,450	428,288
Surplus/(Deficit) for the year	2	(74,903)	(114,997)	(93,088)	64,155	4,915	4,915	5,473	13,717	13,753

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FS191 Setsoto - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Revenue By Source											
Property rates	2	28,460	33,195	33,441	39,957	35,000	35,000	–	38,500	42,805	47,637
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	45,332	53,457	53,965	64,046	74,973	74,973	–	81,000	90,720	101,606
Service charges - water revenue	2	27,262	20,536	24,679	30,172	37,520	37,520	–	39,500	43,130	47,091
Service charges - sanitation revenue	2	13,412	12,623	14,497	16,770	18,600	18,600	–	19,800	21,582	23,524
Service charges - refuse revenue	2	15,368	14,922	17,051	19,751	21,897	21,897	–	26,112	28,462	31,024
Service charges - other		287	192	154	–	–	–	–	250	265	273
Rental of facilities and equipment		131	88	701	822	1,421	1,421	–	1,264	1,390	1,474
Interest earned - external investments		2,365	2,312	2,903	1,951	1,182	1,182	–	1,400	1,428	1,485
Interest earned - outstanding debtors		27,280	28,484	19,389	32,440	22,000	22,000	–	27,000	28,620	29,765
Dividends received		–	28	30	35	35	35	–	35	36	42
Fines		379	470	1,428	292	155	155	–	101	120	125
Licences and permits		12	8	21	40	22	22	–	40	44	46
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		158,221	186,157	168,448	180,030	176,542	176,542	–	173,679	162,888	155,016
Other revenue	2	1,657	4,795	17,425	6,414	1,655	1,655	–	2,792	2,876	2,934
Gains on disposal of PPE		–	–	282	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		320,186	357,266	354,415	392,719	391,002	391,002	–	411,473	424,167	442,041
Expenditure By Type											
Employee related costs	2	96,729	128,148	133,615	146,796	148,137	148,137	–	159,569	169,143	179,292
Remuneration of councillors		8,020	11,082	9,405	9,536	9,536	9,536	–	10,354	10,975	11,834
Debt impairment	3	57,536	70,598	57,168	69,000	44,000	44,000	–	44,000	44,750	42,513
Depreciation & asset impairment	2	202,372	213,475	263,680	34,782	24,782	24,782	–	25,282	22,000	29,000
Finance charges		1,879	1,265	1,041	997	892	892	–	3,227	3,162	3,099
Bulk purchases	2	44,284	48,437	52,562	58,242	58,242	58,242	–	67,561	71,614	75,911
Other materials	8	15,263	34,823	–	–	–	–	–	–	–	–
Contracted services		727	–	7,259	17,162	30,535	30,535	–	27,629	18,574	13,574
Transfers and grants		7,894	8,133	3,877	8,728	11,480	11,480	–	13,180	14,498	15,368
Other expenditure	4, 5	42,354	43,520	81,710	42,356	54,681	54,681	–	55,198	55,733	57,897
Loss on disposal of PPE		–	–	5,670	–	–	–	–	–	–	–
Total Expenditure		477,059	559,480	615,987	387,599	382,285	382,285	–	405,999	410,450	428,288
Surplus/(Deficit)		(156,872)	(202,214)	(261,573)	5,120	8,717	8,717	–	5,473	13,717	13,753
Transfers recognised - capital		81,970	87,217	102,500	56,677	56,677	56,677	–	45,155	45,335	47,852
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(74,903)	(114,997)	(159,072)	61,797	65,394	65,394	–	50,629	59,052	61,605

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FS191 Setsoto - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 4 - Treasury Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning & Social Security		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Council		1,765	-	38	16	10	10	-	50	-	-
Vote 2 - Corporate Services		-	361	9,641	556	230	230	-	830	-	-
Vote 3 - Municipal Manager		-	-	49	98	129	129	-	2,050	-	-
Vote 4 - Treasury Services		1,265	509	2,047	2,328	1,750	1,750	-	1,276	-	-
Vote 5 - Development Planning & Social Security		5,819	20,775	31,745	26,057	22,509	22,509	-	13,178	22,710	1,499
Vote 6 - Engineering Services		63,177	49,572	44,549	32,322	39,412	39,412	-	62,239	22,625	46,353
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		72,026	71,217	88,070	61,377	64,040	64,040	-	79,624	45,335	47,852
Total Capital Expenditure - Vote		72,026	71,217	88,070	61,377	64,040	64,040	-	79,624	45,335	47,852
Capital Expenditure - Standard											
Governance and administration		3,030	870	11,775	2,997	2,119	2,119	-	4,286	-	-
Executive and council		1,765	-	87	113	139	139	-	2,100	-	-
Budget and treasury office		1,265	509	2,047	2,328	1,750	1,750	-	1,276	-	-
Corporate services		-	361	9,641	556	230	230	-	830	-	-
Community and public safety		5,819	18,449	15,528	23,833	19,697	19,697	-	7,949	9,649	711
Community and social services		-	696	15,288	2,810	4,310	4,310	-	1,000	-	-
Sport and recreation		5,819	17,753	-	20,923	15,306	15,306	-	6,949	9,649	711
Public safety		-	-	9	63	-	-	-	-	-	-
Housing		-	-	231	38	80	80	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		19,921	2,134	1,105	30,966	7,293	7,293	-	37,319	5,098	45,433
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		19,921	2,134	1,105	30,966	7,293	7,293	-	37,319	5,098	45,433
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		43,256	49,764	59,662	3,580	34,931	34,931	-	30,129	30,588	1,708
Electricity		1,070	2,671	1,588	357	1,066	1,066	-	13,800	8,664	456
Water		20,750	35,772	25,512	944	4,275	4,275	-	-	-	-
Waste water management		21,436	8,994	16,113	17	26,699	26,699	-	11,100	8,663	464
Waste management		-	2,326	16,449	2,262	2,892	2,892	-	5,229	13,061	788
Other		-	-	-	-	-	-	-	20	-	-
Total Capital Expenditure - Standard	3	72,026	71,217	88,070	61,377	64,040	64,040	-	79,624	45,335	47,852
Funded by:											
National Government		72,026	71,217	78,332	56,677	56,677	56,677	-	45,155	45,335	47,652
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	72,026	71,217	78,332	56,677	56,677	56,677	-	45,155	45,335	47,652
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	9,738	4,700	7,363	7,363	-	30,000	-	-
Internally generated funds		-	-	-	-	-	-	-	4,468	-	-
Total Capital Funding	7	72,026	71,217	88,070	61,377	64,040	64,040	-	79,624	45,335	47,852

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FS191 Setsoto - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		79,541	100,330	29,361	109,985	87,988	87,988		30,800	34,244	38,109
Service charges				85,433		-	-		133,330	147,327	162,815
Other revenue						-	-		3,055	1,527	1,615
Government - operating	1	238,547	186,947	271	180,030	180,030	180,030		173,679	162,688	155,016
Government - capital	1	-	87,217		56,677	56,677	56,677		45,155	45,335	47,852
Interest		29,645	2,312	2,903	21,415	17,132	17,132		21,650	22,893	23,809
Dividends		-	28	30	35	35	35		35	36	42
Payments											
Suppliers and employees		(241,594)	(263,902)	(316,157)	(274,092)	(274,092)	(274,092)		(340,360)	(343,684)	(349,248)
Finance charges		(1,879)	(1,265)	(1,041)	(997)	(997)	(997)		(3,227)	(3,162)	(3,099)
Transfers and Grants	1	-	(8,133)	(3,877)	(8,728)	(8,728)	(8,728)		(13,180)	(14,498)	(15,368)
NET CASH FROM/(USED) OPERATING ACTIVITIES		104,260	103,533	(203,076)	84,325	58,045	58,045	-	50,936	52,706	61,543
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-		6,379	-	-	-		-	-	-
Decrease (Increase) in non-current debtors				-	-	-	-		-	-	-
Decrease (increase) other non-current receivables	4			-	-	-	-		-	-	-
Decrease (increase) in non-current investments		9,182		(5,670)	-	-	-		-	-	-
Payments											
Capital assets		(72,122)	(91,343)	(95,211)	(61,377)	(63,306)	(63,306)		(79,624)	(45,335)	(47,852)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(62,936)	(91,343)	(94,502)	(61,377)	(63,306)	(63,306)	-	(79,624)	(45,335)	(47,852)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-		-	-		-	-	-
Borrowing long term/refinancing		-	-	-		-	-		30,000	-	-
Increase (decrease) in consumer deposits		-	-	-	1	1	1		-	-	-
Payments											
Repayment of borrowing		(7,591)	(2,093)	(1,123)	(1,200)	(1,580)	(1,580)		(3,920)	(2,500)	(3,200)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7,591)	(2,093)	(1,123)	(1,199)	(1,579)	(1,579)	-	26,080	(2,500)	(3,200)
NET INCREASE/ (DECREASE) IN CASH HELD		33,733	10,096	(298,701)	21,749	(6,840)	(6,840)	-	(2,607)	4,871	10,491
Cash/cash equivalents at the year begin:	2	(26,941)	6,791	16,887	49,489	49,489	49,489		42,649	40,041	44,912
Cash/cash equivalents at the year end:	2	6,791	16,887	(281,814)	71,238	42,649	42,649	-	40,041	44,912	55,403

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FS191 Setsoto - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		3,655	3,655	3,655	3,655			10,578	10,578	10,578
Piped water inside yard (but not in dwelling)		9,138	9,138	9,138	9,138			20,010	20,010	20,010
Using public tap (at least min.service level)	2	8,224	8,224	8,224	8,224			8,224	8,224	8,224
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		21,017	21,017	21,017	21,017	–	–	38,812	38,812	38,812
Using public tap (< min.service level)	3	4,567	4,567	4,567	4,567					
Other water supply (< min.service level)	4									
No water supply		916	916	916	916			640	640	640
<i>Below Minimum Service Level sub-total</i>		5,483	5,483	5,483	5,483	–	–	640	640	640
Total number of households	5	26,500	26,500	26,500	26,500	–	–	39,452	39,452	39,452
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		9,710	9,710	9,710	9,710			19,067	19,067	19,067
Flush toilet (with septic tank)								1,482	1,482	1,482
Chemical toilet								168	168	168
Pit toilet (ventilated)		1,316	1,316	1,316	1,316			1,550	1,550	1,550
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		11,026	11,026	11,026	11,026	–	–	22,267	22,267	22,267
Bucket toilet		10,526	10,526	10,526	10,526			7,849	7,849	7,849
Other toilet provisions (< min.service level)										
No toilet provisions		3,948	3,948	3,948	3,948			1,381	1,381	1,381
<i>Below Minimum Service Level sub-total</i>		14,474	14,474	14,474	14,474	–	–	9,230	9,230	9,230
Total number of households	5	25,500	25,500	25,500	25,500	–	–	31,497	31,497	31,497
Energy:										
Electricity (at least min.service level)		24,300	24,300	24,300	24,300			25,515	26,791	28,130
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		24,300	24,300	24,300	24,300	–	–	25,515	26,791	28,130
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	24,300	24,300	24,300	24,300	–	–	25,515	26,791	28,130
Refuse:										
Removed at least once a week		7,000	7,000	7,000	7,000			18,528	18,528	18,528
<i>Minimum Service Level and Above sub-total</i>		7,000	7,000	7,000	7,000	–	–	18,528	18,528	18,528
Removed less frequently than once a week		20,000	20,000	20,000	20,000			842	842	842
Using communal refuse dump								808	808	808
Using own refuse dump								10,948	10,948	10,948
Other rubbish disposal								236	236	236
No rubbish disposal								2,324	2,324	2,324
<i>Below Minimum Service Level sub-total</i>		20,000	20,000	20,000	20,000	–	–	15,158	15,158	15,158
Total number of households	5	27,000	27,000	27,000	27,000	–	–	33,686	33,686	33,686

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FS191 Setsoto - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Council	Vote 2 - Corporate Services	Vote 3 - Municipal Manager	Vote 4 - Treasury Services	Vote 5 - Development Planning & Social Facilities	Vote 6 - Engineering Services	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates					38,500												38,500
Property rates - penalties & collection charges																	-
Service charges - electricity revenue							81,000										81,000
Service charges - water revenue							39,500										39,500
Service charges - sanitation revenue							19,800										19,800
Service charges - refuse revenue						26,112											26,112
Service charges - other							250										250
Rental of facilities and equipment						764	500										1,264
Interest earned - external investments					1,400												1,400
Interest earned - outstanding debtors					27,000												27,000
Dividends received					35												35
Fines						101											101
Licences and permits						40											40
Agency services																	-
Other revenue		30	921		773	449	620										2,792
Transfers recognised - operational		43,928		3,280	1,600	20,000	104,871										173,679
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		43,958	921	3,280	69,308	47,466	246,541	-	-	-	-	-	-	-	-	-	411,473
Expenditure By Type																	
Employee related costs		10,542	14,946	10,330	20,320	44,877	58,554										159,569
Remuneration of councillors		10,354															10,354
Debt impairment					2,000	12,000	30,000										44,000
Depreciation & asset impairment		33	1,494	291	709	3,206	19,549										25,282
Finance charges		2,500	145	280	82		220										3,227
Bulk purchases							67,561										67,561
Other materials																	-
Contracted services		4,442	5,840	1,762	7,829	1,936	4,669										26,479
Transfers and grants		12,000	120			60	1,000										13,180
Other expenditure		5,547	4,447	3,889	3,217	7,788	28,954										53,842
Loss on disposal of PPE																	-
Total Expenditure		45,419	26,992	16,552	34,158	69,867	210,506	-	-	-	-	-	-	-	-	-	403,494
Surplus/(Deficit)		(1,461)	(26,071)	(13,272)	35,149	(22,402)	36,035	-	-	-	-	-	-	-	-	-	7,979
Transfers recognised - capital							43,665										43,665
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(1,461)	(26,071)	(13,272)	35,149	(22,402)	79,700	-	-	-	-	-	-	-	-	-	51,644

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FS191 Setso - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue By Source																	
Property rates			3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	3,208	38,500	42,605	47,537	
Property rates - penalties & collection charges														-	-	-	
Service charges - electricity revenue			7,200	6,900	6,858	6,558	6,458	6,120	6,066	5,623	5,833	6,450	6,522	10,410	81,000	90,720	101,606
Service charges - water revenue			2,800	2,900	2,950	2,700	2,999	3,100	4,892	3,892	3,300	3,200	3,292	3,474	39,500	43,130	47,091
Service charges - sanitation revenue			1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	19,800	21,582	23,524	
Service charges - refuse revenue			2,176	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,936	26,112	28,462	31,024
Service charges - other			21	21	21	21	21	21	21	21	21	21	21	250	265	273	
Rental of facilities and equipment			105	105	105	105	105	105	105	105	105	105	105	1,264	1,390	1,474	
Interest earned - external investments			117	117	117	117	117	117	117	117	117	117	117	1,400	1,428	1,485	
Interest earned - outstanding debtors			2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000	28,620	29,765	
Dividends received				35										35	36	42	
Fines			8	10	10	14	9	-	10	-	7	-	17	101	120	125	
Licences and permits			40											40	44	46	
Agency services										-				-	-	-	
Transfers recognised - operational			67,292	1,745		55,993				48,648				173,679	162,688	155,016	
Other revenue			233	233	233	233	233	233	233	233	233	233	233	2,792	2,876	2,934	
Gains on disposal of PPE														-	-	-	
Total Revenue (excluding capital transfers and contributions)			87,101	21,174	19,403	18,857	75,044	18,804	20,552	19,098	67,373	19,234	19,415	25,417	411,473	424,167	442,041
Expenditure By Type																	
Employee related costs			13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	158,569	169,143	179,292	
Remuneration of councillors			863	863	863	863	863	953	953	953	953	953	953	323	10,354	10,975	11,634
Debt impairment			3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,000	44,750	42,513	
Depreciation & asset impairment			2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	25,282	22,000	29,000	
Finance charges			269	269	269	269	269	269	269	269	269	269	269	3,227	3,162	3,099	
Bulk purchases			6,500	6,550	6,500	4,630	4,330	4,630	4,530	5,130	5,930	6,630	6,530	5,669	67,581	71,614	75,911
Other materials			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services			3,307	2,907	2,505	2,207	2,107	1,906	1,807	1,707	1,607	1,507	1,307	4,757	27,629	18,574	13,574
Transfers and grants			1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	13,180	14,498	15,368	
Other expenditure			4,600	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	55,198	55,733	57,897	
Loss on disposal of PPE														-	-	-	-
Total Expenditure			35,708	35,245	34,795	32,625	32,225	32,414	32,215	32,715	33,415	34,015	33,715	36,916	405,999	410,450	428,288
Surplus/(Deficit)			51,393	(14,071)	(15,392)	(13,768)	42,820	(13,610)	(11,662)	(13,616)	33,958	(14,780)	(14,300)	(11,499)	5,473	13,717	13,753
Transfers recognised - capital			9,191				19,714				14,751			1,500	45,155	45,335	47,852
Contributions recognised - capital														-	-	-	-
Contributed assets														-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			60,584	(14,071)	(15,392)	(13,768)	62,534	(13,610)	(11,662)	(13,616)	48,709	(14,780)	(14,300)	(9,999)	50,629	59,052	61,605
Taxation														-	-	-	-
Attributable to minorities														-	-	-	-
Share of surplus/ (deficit) of associate														-	-	-	-
Surplus/(Deficit)	1		60,584	(14,071)	(15,392)	(13,768)	62,534	(13,610)	(11,662)	(13,616)	48,709	(14,780)	(14,300)	(9,999)	50,629	59,052	61,605

Setsoto Local Municipality – Annual Budget & MTREF 2015/16

FS191 Setsoto - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Council		9,388				11,199				5,252			18,120	43,958	46,913	44,593
Vote 2 - Corporate Services		869	233	233	233	233	233	233	233	233	233	233	(2,275)	921	976	1,035
Vote 3 - Municipal Manager		70	1,745	-	-	560	-	-	-	906	-	-	-	3,280	2,638	2,622
Vote 4 - Treasury Services		7,175	5,610	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575	6,348	69,308	74,514	80,971
Vote 5 - Development Planning & Social Security		17,373	2,115	2,116	2,120	18,353	2,105	2,116	2,105	20,732	2,105	2,123	(25,888)	47,466	48,658	50,346
Vote 6 - Engineering Services		52,051	11,471	11,479	10,929	39,125	10,891	12,629	11,186	34,675	11,321	11,484	29,298	246,541	250,468	262,474
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		86,925	21,174	19,403	18,857	75,044	18,804	20,552	19,099	67,373	19,234	19,415	25,593	411,473	424,167	442,041
Expenditure by Vote to be appropriated																
Vote 1 - Council		4,004	3,965	3,914	3,670	3,625	3,647	3,624	3,680	3,759	3,827	3,793	3,909	45,419	46,490	46,451
Vote 2 - Corporate Services		2,385	2,361	2,331	2,186	2,159	2,172	2,158	2,192	2,239	2,279	2,269	2,271	26,992	27,941	29,942
Vote 3 - Municipal Manager		1,459	1,445	1,427	1,338	1,321	1,329	1,321	1,341	1,370	1,395	1,382	1,425	16,552	16,779	17,920
Vote 4 - Treasury Services		3,026	2,996	2,958	2,773	2,739	2,755	2,738	2,781	2,840	2,891	2,866	2,796	34,158	34,716	36,818
Vote 5 - Development Planning & Social Security		6,165	6,104	6,026	5,651	5,581	5,614	5,580	5,666	5,787	5,891	5,839	5,962	69,867	71,260	72,867
Vote 6 - Engineering Services		18,556	18,373	18,139	17,007	16,799	16,898	16,793	17,054	17,419	17,732	17,575	20,667	213,011	213,265	224,290
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		35,595	35,245	34,795	32,625	32,225	32,414	32,215	32,715	33,415	34,015	33,715	37,029	405,999	410,450	428,288
Surplus/(Deficit) before assoc.		51,330	(14,071)	(15,392)	(13,768)	42,820	(13,610)	(11,662)	(13,616)	33,958	(14,780)	(14,300)	(11,436)	5,473	13,717	13,753
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	51,330	(14,071)	(15,392)	(13,768)	42,820	(13,610)	(11,662)	(13,616)	33,958	(14,780)	(14,300)	(11,436)	5,473	13,717	13,753

Setsoto Local Municipality – Annual Budget & MTREF 2015/16

FS191 Setsoto - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	9,846	118,148	119,790	124,100
Executive and council		3,937	3,937	3,937	3,937	3,937	3,937	3,937	3,937	3,937	3,937	3,937	3,937	47,238	42,909	40,621
Budget and treasury office		5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	5,776	69,308	74,514	80,971
Corporate services		134	134	134	134	134	134	134	134	134	134	134	134	1,602	2,367	2,509
<i>Community and public safety</i>		139	139	139	139	139	139	139	139	139	139	139	139	1,668	1,697	1,796
Community and social services		36	36	36	36	36	36	36	36	36	36	36	36	434	460	487
Sport and recreation		5	5	5	5	5	5	5	5	5	5	5	5	54	57	61
Public safety		15	15	15	15	15	15	15	15	15	15	15	15	180	120	125
Housing		83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,060	1,124
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	30,340	26,005	24,848
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	2,528	30,340	26,005	24,848
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21,309	21,309	21,309	21,309	21,309	21,309	21,309	21,309	21,309	21,309	21,309	21,309	255,706	263,811	277,803
Electricity		9,403	9,403	9,403	9,403	9,403	9,403	9,403	9,403	9,403	9,403	9,403	9,403	112,835	118,860	127,547
Water		5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	65,520	66,749	69,420
Waste water management		2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	33,346	33,874	35,145
Waste management		3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	44,005	44,328	45,691
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		33,822	33,822	33,822	33,822	33,822	33,822	33,822	33,822	33,822	33,822	33,822	33,822	405,861	411,304	428,547
Expenditure - Standard																
<i>Governance and administration</i>		10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	10,300	123,605	126,434	131,669
Executive and council		4,958	4,958	4,958	4,958	4,958	4,958	4,958	4,958	4,958	4,958	4,958	4,958	59,495	60,768	61,715
Budget and treasury office		2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	2,847	34,158	34,716	36,818
Corporate services		2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496	29,951	30,949	33,136
<i>Community and public safety</i>		3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366	40,391	41,110	42,460
Community and social services		591	591	591	591	591	591	591	591	591	591	591	591	7,097	7,351	7,799
Sport and recreation		940	940	940	940	940	940	940	940	940	940	940	940	11,279	11,342	11,553
Public safety		1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	14,892	15,137	15,780
Housing		594	594	594	594	594	594	594	594	594	594	594	594	7,123	7,280	7,328
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	35,039	35,591	36,699
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	35,039	35,591	36,699
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17,038	17,038	17,038	17,038	17,038	17,038	17,038	17,038	17,038	17,038	17,038	17,038	204,459	205,240	215,369
Electricity		7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	7,215	86,585	86,141	92,272
Water		3,764	3,764	3,764	3,764	3,764	3,764	3,764	3,764	3,764	3,764	3,764	3,764	45,174	45,433	48,182
Waste water management		3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	3,049	36,584	36,744	37,718
Waste management		3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	3,010	36,116	36,922	37,197
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard		33,625	33,625	33,625	33,625	33,625	33,625	33,625	33,625	33,625	33,625	33,625	33,625	403,494	408,375	426,397
Surplus/(Deficit) before assoc.		197	197	197	197	197	197	197	197	197	197	197	197	2,367	2,929	2,150
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	197	197	197	197	197	197	197	197	197	197	197	197	2,367	2,929	2,150

Setsoto Local Municipality – Annual Budget & MTREF 2015/16

FS191 Setsoto - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	30,800	34,244	38,109
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5,760	5,520	5,487	5,247	5,167	4,896	4,853	4,499	4,685	5,160	5,217	8,328	64,900	72,576	81,285
Service charges - water revenue	2,240	2,320	2,360	2,160	2,399	2,480	3,913	3,113	2,640	2,560	2,633	2,779	31,600	34,504	37,673
Service charges - sanitation revenue	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	15,840	17,266	18,820
Service charges - refuse revenue	1,741	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	3,149	20,890	22,770	24,819
Service charges - other	17	17	17	17	17	17	17	17	17	17	17	17	200	212	218
Rental of facilities and equipment	84	84	84	84	84	84	84	84	84	84	84	312	1,239	1,363	1,444
Interest earned - external investments	93	93	93	93	93	93	93	93	93	93	93	373	1,400	1,428	1,485
Interest earned - outstanding debtors	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	450	20,250	21,465	22,324
Dividends received	-	35	-	-	-	-	-	-	-	-	-	-	35	36	42
Fines	8	10	10	14	9	-	10	-	7	-	17	13	101	120	125
Licences and permits	40	-	-	-	-	-	-	-	-	-	-	-	40	44	46
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	67,292	1,745	-	-	55,993	-	-	-	48,648	-	-	-	173,679	162,688	155,016
Other revenue	-	-	-	-	-	-	-	-	-	-	-	1,675	1,675	-	-
Cash Receipts by Source	82,963	17,111	15,338	14,902	71,050	14,857	16,258	15,093	63,443	15,201	15,349	20,983	362,548	368,715	381,406
Other Cash Flows by Source															
Transfer receipts - capital	9,191	-	-	-	19,714	-	-	-	14,751	-	-	1,500	45,155	45,335	47,852
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	30,000	-	-	-	-	-	-	30,000	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	92,153	17,111	15,338	14,902	90,764	44,857	16,258	15,093	78,194	15,201	15,349	22,483	437,704	414,050	429,257
Cash Payments by Type															
Employee related costs	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	13,297	159,569	169,143	179,292
Remuneration of councillors	863	863	863	863	863	953	953	953	953	953	953	323	10,354	10,975	11,634
Finance charges	269	269	269	269	269	269	269	269	269	269	269	269	3,227	3,162	3,099
Bulk purchases - Electricity	6,500	6,550	6,500	4,630	4,330	4,630	4,530	5,130	5,930	6,630	6,530	5,669	67,561	71,614	75,911
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	3,307	2,907	2,506	2,207	2,107	1,906	1,807	1,707	1,607	1,507	1,307	4,757	27,629	18,574	13,574
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	1,098	13,180	14,498	15,368
Other expenditure	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	4,487	5,842	55,198	55,733	57,697
Cash Payments by Type	29,821	29,471	29,821	26,851	26,451	26,641	26,441	26,941	27,641	28,241	27,941	31,255	336,717	343,708	358,775
Other Cash Flows/Payments by Type															
Capital assets	6,634	8,824	7,431	5,303	1,803	7,802	31,803	950	1,200	2,301	1,200	4,172	79,624	45,335	47,852
Repayment of borrowing	-	-	-	-	-	408	-	-	-	-	-	3,512	3,920	2,500	3,200
Other Cash Flows/Payments	-	-	883	4,530	5,130	-	953	2,480	-	3,113	2,640	341	20,050	17,644	10,939
Total Cash Payments by Type	36,656	38,296	37,315	36,684	33,384	34,851	59,196	30,371	28,841	33,655	31,781	39,280	440,311	409,180	418,766
NET INCREASE/(DECREASE) IN CASH HELD	55,498	(21,184)	(21,977)	(21,782)	57,380	10,006	(42,939)	(15,279)	49,353	(18,454)	(16,432)	(16,798)	(2,607)	4,871	10,491
Cash/cash equivalents at the month/year begin:	42,649	90,147	76,962	54,985	33,203	90,583	100,589	57,650	42,372	91,725	73,271	56,839	42,649	40,041	44,912
Cash/cash equivalents at the month/year end:	98,147	76,962	54,985	33,203	90,583	100,589	57,650	42,372	91,725	73,271	56,839	40,041	40,041	44,912	55,403

2.3 Overview of budget related-policies

The municipal budget related policies was reviewed as part of community inputs and the final reviewed policies are attached

2.4 List of Tariffs

The municipal budget was compiled using the attached Tariff list.